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DEVELOPMENTS AND ISSUES IN THE URUGUAY ROUND OF PARTICULAR CONCERN TO DEVELOPING COUNTRIES

Draft Agreed Conclusions submitted by the President

1. The Trade and Development Board resumed its discussion on developments in the Uruguay Round, recognizing that UNCTAD had an important role to play in the analysis and assessment of the outcome of the Round. This discussion was supported and enriched by the documentation prepared by the UNCTAD secretariat as well as by an informal presentation by Mr. J. Seade, Deputy Director-General of GATT.

2. It was understood that, in accordance with paragraph 144 of the Cartagena Commitment and in view of the fact that the Uruguay Round was successfully concluded at the Marrakesh Ministerial Meeting of the Trade Negotiations Committee on 15 April 1994, the Board will, at the first part of its forty-first session, analyse and assess the outcome of the Uruguay Round, in particular in areas of concern to developing countries and economies in transition concerned, and its impact on the international trading system and problems of implementation.

3. As a result of a comprehensive debate, in which 25 delegations and one non-governmental organization took part, the Board agreed that the successful conclusion of the Uruguay Round and the signing of the Final Act at Marrakesh was a milestone in the evolution of international economic relations and represented a victory for a rule-based multilateral trading system. The Uruguay

Round agreements had a substantial potential for contributing, through the creation of new trading opportunities for all countries, to the world economic growth, and would serve to boost investment, job creation and further economic reforms, particularly in developing countries and economies in transition. This potential was, in particular, manifested in a substantial trade liberalization, strengthening of multilateral rules and disciplines to ensure more stability and predictability in trade relations, establishing rules and disciplines in new areas and founding the new institutional framework in the form of the World Trade Organization (WTO) with an integrated dispute settlement mechanism which should avoid unilateral actions against international trade rules.

4. The Board emphasized that the full and speedy implementation of the Round's results, including the early establishment of the World Trade Organization, should be considered as the most urgent priority in order to realize such potential. However, it was for countries and their business communities to make the best use of the new trading opportunities that the Uruguay Round agreements would bring.

5. It was also agreed that the Round was not a zero-sum game and was capable of assisting developing countries in achieving their objectives of economic growth and development, provided that disadvantaged developing countries were supported by the international community and were offered additional possibilities to offset negative situations as was agreed in the Final Act signed at Marrakesh. In the final run, only practical experience of the implementation of agreements, including the efficiency of a new dispute settlement system to defend the interests of the weaker trading partners, could demonstrate a genuine impact of the Round's results on the international trading system and the trading opportunities of developing countries.

6. It was generally recognized that the developing countries had made a major contribution to the success of the Uruguay Round, particularly by accepting challenges and burdens of trade liberalization reforms and committing themselves to increased multilateral obligations in the post-Uruguay Round period. There were different opinions on the benefits which would accrue to developing countries from the Uruguay Round agreements. Many developing countries

expected to enjoy new benefits following market access liberalization, both in goods and services, and particularly in the areas of textiles and agriculture. However, special concerns were raised regarding possible negative effects on the least developed countries, particularly those in Africa, and net food-importing developing countries, as well as on potential erosion of the GSP and other preferential schemes as a result of agreed tariff reductions. Some views were expressed that the Uruguay Round agreements should be implemented in a manner that favoured developing countries and that food aid and/or credits on concessional terms should be provided to them together with adjustments in the GSP schemes in order to accommodate their interests.

7. Another concern was associated with the new challenges facing developing countries, particularly the least developed countries, as a result of the Uruguay Round, with respect to their institutional capacities, human resource development and information management in order to pursue effectively their interests in the post-Uruguay Round trading system. The Board agreed that developing countries, and especially the least developed among them, may need substantially expanded technical assistance to be able to identify and utilize sustained benefits deriving from the Uruguay Round agreements.

8. The Board took note of a list of new issues, as contained in the concluding remarks of the Chairman of the Trade Negotiations Committee at Ministerial Level at Marrakesh on 15 April 1994. Views of various delegations on some of these issues were also noted.

9. The Board recalled UNCTAD's mandate and important role in the international trading system, noting its relevance as an institution that provided a forum for policy analysis; intergovernmental deliberation, consensus building and negotiation; monitoring, implementation and follow-up; and technical cooperation that took into account the special interests of developing countries on trade and development.

10. It was also recognized that there should be a constructive and effective cooperation between UNCTAD and the WTO based on the complementary functions of the two organizations. Arrangements between UNCTAD and ITC on the provision of technical assistance to developing countries in the area of trade should be strengthened.

11. The Board agreed that UNCTAD should:

(a) As a matter of priority, conduct, at the first part of the forty-first session of the Trade and Development Board, an in-depth analysis and assessment of the outcome of the Uruguay Round, in particular in areas of concern to developing countries and economies in transition concerned, and its impact on the international trading system and problems of implementation;

(b) Organize regional seminars or workshops on the outcome and implementation of the Uruguay Round. Appropriate resources should be allocated for this purpose in order that the secretariat could conduct such seminars or workshops;

(c) Follow developments in the international trading system and identify new trading opportunities arising from the implementation of the Uruguay Round agreements in order to provide information and technical support with a view to facilitating the integration of developing countries and economies in transition concerned into the system, to assist these countries to take full advantage of new trading opportunities and enable them, when appropriate, to make use of the clauses which provide differential and more favourable treatment in accordance with the Final Act signed at Marrakesh;

(d) Prepare policy analysis and provide a forum for intergovernmental deliberation and global consensus-building on the new and emerging issues of the international trade agenda, such as trade and environment and competition policy, thus contributing to a better understanding of such issues, including their development implications for developing countries;

(e) Refocus and intensify, where necessary, its technical assistance in the light of the Uruguay Round agreements aiming to increase the capacities of developing countries, especially the least developed among them, as well as to the economies in transition concerned, for their effective participation in the international trading system, and to ensure an efficient cooperation with relevant international organizations, in particular with the WTO and ITC.